

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2275 - SB 2318

March 16, 2009

SUMMARY OF BILL: Makes multiple technical corrections to the Tennessee tax code. Delays implementation of the Streamlined Sales Tax Agreement from July 1, 2009, to July 1, 2011. Authorizes investments which are made in computer software to be included as part of capital investment requirements for the purpose of tax incentives. Exempts the leasing of motor vehicles to original equipment manufacturer (OEM) headquarter employees from sales and use tax. Authorizes an automatic 12-month filing extension period for paying inheritance tax. Limits the current 10 percent local privilege tax on the charge for admission to a municipal stadium (LP Field) to \$3.00 per ticket. Authorizes the metropolitan government to continue to collect the local privilege tax after the indebtedness for LP Field has matured.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$250,000

Increase Local Revenue - \$2,700,000/Permissive

Assumptions:

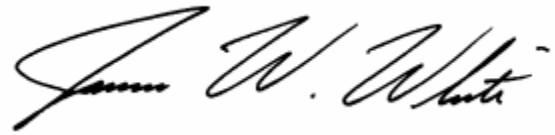
- According to the Department of Revenue (DOR), the only provision of this bill expected to have a significant impact to state government is the sales and use tax exemption for the leasing of motor vehicles to original equipment manufacturer (OEM) headquarter employees.
- According to DOR, all remaining provisions of the bill are expected to have net impacts to state revenue and state expenditures considered to be not significant.
- The decrease to state revenue resulting from the sales and use tax exemption is estimated to be \$250,000 per year.
- According to the Office of the Comptroller, the local privilege tax for events held at LP Field is not currently being collected by Davidson County because the county's lease agreement with the Titans provides that such tax cannot be collected until the end of the team's eleventh season in Nashville.

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- According to the Comptroller, if Davidson County levied the tax at the \$3.00 maximum as specified in this bill, local government revenue would increase approximately \$2,700,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/rnc